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easiest one we've come up with.

MR. HOUSTON: This is a little new to me. You say you are coming to us?

MR. STEWART: I am coming to you. As a matter of fact, we have just had a preliminary study made of the thing--a rather technical study--and these are some of the questions that were raised. It's not for sure this would happen.

MR. KIRKPATRICK: This idea actually emanated from Rocco Siciliano at the White House, when he was at [] and Gordon was talking to him about the difficulty of moving senior people to make room for younger ones, and he said, "Why can't you rotate them laterally across the Government?" There would be a group of types of jobs for which other Government agencies have need, and I imagine you would go in the Civil Service roster for those types of jobs and when his number comes up the guy can slot over. But I think if this opens up the Veterans' Preference Act that Messieurs Houston & Company will have to look at it fairly carefully to make sure we don't walk into a booby trap.

MR. STEWART: I would certainly recommend to the Council that we go ahead and at least explore and see what the problems are.

MR. BAIRD: Vote that you explore.

MR. STEWART: Okay.

[The next one is the Agency Retirement Board.

Sometime ago [] described to me the system they used in the Forestry Service in which they expected every person reaching voluntary retirement age to come before a board or talk with someone, and make it pretty clear whether that person had a job continuing for five years, ten years, or whatever else, or should he plan to retire at the time he reached the retirement age. Their rather consistent practice, up to a certain point, was that everyone did retire when they reached voluntary retirement age. We are hoping, of course,

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to get early retirement age legislation which will reduce the voluntary retirement age, and in that case we will most certainly need a mechanism for deciding who does and who doesn't retire. That sounds a little odd - it doesn't sound very voluntary, but you have to do something to support your personnel program under such legislation. We also have at the present time a number of people who are in fact reaching voluntary retirement age.

I would suggest that I establish a Board. I would think I would certainly need a lawyer on it, and I would certainly need a doctor on it, because I want to have the legal and medical aspects of these cases carefully looked into. Other members of the Board might meet from time to time. I would think that perhaps one representative of each of the Deputies could suitably sit on such a Board. The Board would not concern itself with the discussions held day by day in each of the cases, but would review the work of the Executive Secretary. It is my intention to appoint or to nominate [] who is now working for Lloyd George, in that position, and to have him, immediately upon taking that job next September, start to go through all the files of people reaching this age and making the decision whether we talk to them or not.

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One of the problems, which is commonplace to every business and agency, is that it's an awkward thing to take the subject up, and it's particularly awkward if no provision is made for doing it automatically. If everyone in the Agency knows when they reach age 60 the question is going to be raised: should you or shouldn't you stay? --then obviously it's less awkward to introduce the subject if they know this is going to be raised than if the man thinks, "Well, why did they suddenly decide I should be the person to be talked to, and nobody else gets talked to about this." And anyone who has talked to people reaching that age knows exactly what that reaction is. So it's my

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recommendation that we go ahead on this basis.

MR. KIRKPATRICK: I think that is a very good idea, Gordon. I just thought the Council might be interested in - do we talk about getting legislation for early retirement. Last week we had Fred Belen and Charlie Johnson from the House Civil Service Committee down. Belen has been up there for twelve or thirteen years now.

MR. HOUSTON: Since 1938.

MR. KIRKPATRICK: And I precipitated this question by saying we were considering legislation for early retirement based on a program of accelerated credit for service overseas, whereupon Belen went into a lengthy dissertation as to the many pitfalls it faces, starting off by saying that ever since the Committee had given the FBI an accelerated retirement program they had regretted it because it had created a favored class in the Federal structure, and the Committee was very edgy now about any advances made for any of these types of programs. He didn't close the door completely, but he did mention that among the conditions they would seek, in any proposal we presented, was that we took care of the financial aspect as best we could before it came up--pointing up what many people say on the hill all the time, as reflected by Jerry Kluttz and the Congressional Record, that the Federal retirement fund is falling further and further behind the potential claims that can be made upon it. It's billions of dollars behind now. So I just wanted to point out that it might be a long distance between drinks on this one, and it might be many, many years before we ever got this legislation through. So maybe with the climate as reflected by him, I don't think, on the basis of this discussion, that we should really count on it for too much. We may get it through, but I think it would have to be proved that we were not then becoming a special class or a special category. And certainly the argument that appealed to them as most valid was the one to keep the organization young, not as credit for serving overseas with the necessity of moving people out when they got

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back here.

MR. STEWART: I thought their response on that point was sound and good. The question of financing it really does seem to be the hot potatoe. The position taken by Siciliano was that the retirement fund should be used for management purposes. If the Government wants to retire certain people, it should look to the fund to retire them, and if the fund needs more money the Congress should vote more money for the fund. It was that simple. However, they have warned me that everybody else in town, with the sole exception of themselves, has developed a very rigid view about retirement, that retirement is a right people pay for by putting in their 6%, and those people who put in their 6% shouldn't be expected to pay for special privileges of other people--and the same point that Belen brought up about the FBI - they feel very bad about that, and the postal inspectors are on them, everybody is on them.

MR. HELMS: What happens with the Air Force, for example?

MR. STEWART: The Services are in an entirely different thing.

MR. HELMS: Who pays for them?

MR. KIRKPATRICK: They beckon and the Congress gives them the money, and the money goes into Ft. Knox.

MR. STEWART: The military services--of course, they pay that out of current appropriations, don't they?

MR. KIRKPATRICK: That is right.

MR. HOUSTON: It's not contributory, it's just appropriations.

MR. HELMS: What would it cost us to do that?

MR. STEWART: Plenty. As a matter of fact, I had a bright idea last year that we could take people at age 50, retire them, and then we would pay them an equal amount for the next 12 years--and when you start adding that up for a couple hundred people, it comes to a whopping bill. It comes to 45 or 50% of your payroll for those people,

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and that is a lot of money. But it has to come from somewhere.

25X1 [] I can't draw any retired pay, and I have earned that retired pay by being always available, and I couldn't resign during any war, and so on.

MR. KIRKPATRICK: I can tell you, if we ever went up there for this we would get the worst shellacking in history. Congressman Rutherford of Odessa, Texas, is a constant hammer at this business of getting out of control. He would see this coming from way off.

And this, incidentally, may affect our whole view of the Career Service program.

MR. STEWART: 1962 is the year we should have it. In 1962 people will have served 20 years, and at the conclusion of 20 years we should be in a position to retire certain numbers of people. So we have to fight along to get it.

Another thing that Siciliano said was that with the Foreign Service they had strongly advised Mr. Henderson to ask for the authority in law to retire people at younger ages, for a limited number of years--that is, five years--during which the Foreign Service would get itself straightened out. And he made, apparently to him, and to us, no bones about the fact the Foreign Service is in its present mess because they haven't used the authorities they presently have, and have such a tremendous number of people crowding up in those middle and upper grades. And they said, very politely, to us, "And we realize you are in the same fix, not because of mismanagement but because you had to hire these people in order to get into business." They strongly advised that we might ask for a limited period of time during which we would effect these retirements on annuity.

MR. KIRKPATRICK: The other point he made was that there must be a provision for involuntary retirement, too.

MR. STEWART: Definitely. I don't think there is any

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question about that. Lawton said that when we talked to him, and everybody has said that.

I think one way or another we can come up with something, and at our next meeting I hope to be able to give you a good statistical hoedown on the Agency. We have been working very hard to get an idea how we stand now and how we will look in the future--taking the actuarial figures, what the age groupings will be, how badly we're going to hurt in terms of need for retirement legislation, and what the various types of legislation will do for us--so that we will have some grounds for coming up with a sound recommendation.

MR. HELMS: Gordon, may I ask a question, which is not really as unpleasant as it sounds, but why, if we sit around this table day after day and talk about early retirement legislation, and all those things, do we bother to set up any Retirement Board like this at all?

MR. STEWART: You have to select them out. You can't retire a man until he reaches the mandatory retirement age of ~~60~~.

MR. KIRKPATRICK: ~~60~~⁷⁰ or 62?

MR. STEWART: Depending on length of service--but the mandatory retirement age is ~~60~~. 70

MR. HELMS: It isn't 62? I thought everybody had to get out at 62.

MR. STEWART: That proves you belong to a young service.

MR. BOARD: If this Board can retire people who reach 62 and don't want to retire, I'm all for it.

. . . . Mr. Houston left the meeting

MR. KIRKPATRICK: The postscript to this was some very, very interesting comments by Belen on the technique of getting the bills through, and that is, "Don't spring them on us. Let us work with you

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